

**WASHINGTON STATE OFFICE OF
MINORITY AND WOMEN'S BUSINESS ENTERPRISES**

**STRATEGIC PLAN
2005-2007 BIENNIUM**



CAROLYN CROWSON, C.P.M.
DIRECTOR
MAY 1, 2004

TABLE OF CONTENTS

Executive Summary	2
Value Chain	3
Priority of Government Six: Goal, Objectives, and Strategies	4
Priority of Government Eleven: Goal, Objectives, and Strategies	9
Appraisal of External Environment	10
Trends in Customer Characteristics	14
Strategy and Capacity Assessment	15
Performance Assessment	16
Financial Health Assessment	17
Description of Cost Reduction Strategies	18
Discussion of Activity Links and Major Partners	19

EXECUTIVE SUMMARY

Agency Mission

The Office of Minority and Women's Business Enterprises ("OMWBE") helps create and sustain an equitable business environment by promoting the participation, in public contracting and procurement, of all qualified and available businesses owned and controlled by minorities, women and all others who may be socially and economically disadvantaged.

Agency Vision Statement

Washington's economic vitality is enhanced by businesses owned and operated by people in all walks of life. Public contracting and procurement in the state mitigates against the effects of race and gender discrimination and promotes the development and growth of businesses owned and operated by all people who may be socially and economically disadvantaged, including women and minorities.

Statutory Authority

OMWBE was created and empowered by Chapter 512, Washington Laws, 1983, which is codified in Chapter 39.19 of the Revised Code of Washington. The rules by which OMWBE exercises its authority are set forth in Title 326 of the Washington Administrative Code.

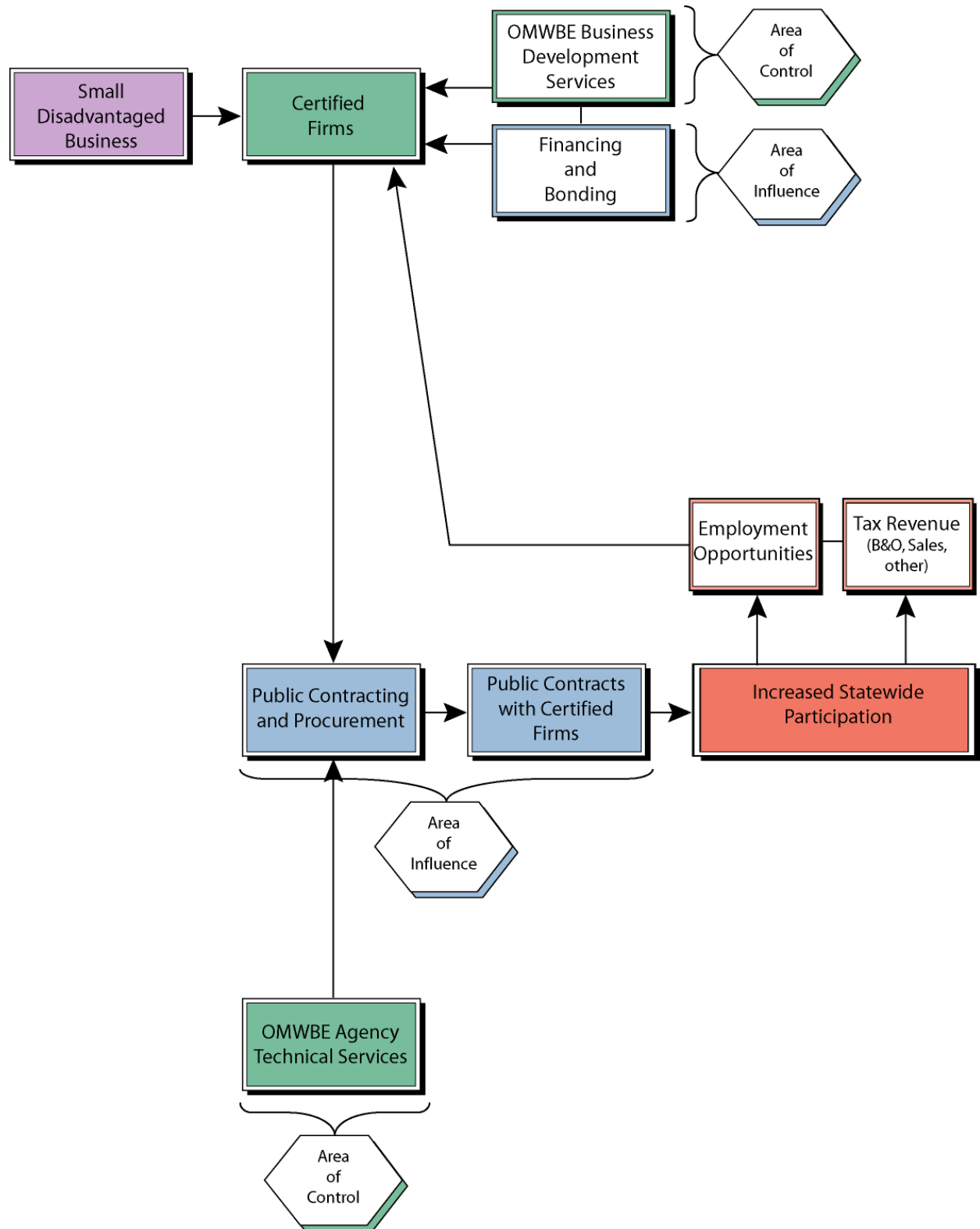
Background

By serving the community of small businesses owned by ethnic minorities, women, and socially and economically disadvantaged persons, the Office of Minority and Women's Business Enterprises has a direct impact on Washington State's economy.

- Minority and women-owned businesses account for almost 41 percent of all Washington businesses and they employ more than one-quarter of a million residents.
- Certified minority and women-owned businesses participating in the Linked Deposit Loan Program added an average of seven employees per firm, increased their net worth an average of \$88,000, and increased their accounts receivable by an average of more than \$660,000. Each of these indicators corresponds to greater state tax revenue and lower unemployment.
- Businesses owned by people who are minorities, women, or socially and economically disadvantaged can receive services from OMWBE. The agency provided business development services to more than 1,000 Washington businesses in Fiscal Year 2003.
- Strategic partnerships with the private sector have increased the agency's ability to serve certified firms without increasing costs.
- OMWBE has implemented cost reduction strategies that will save almost \$148,000.

The following explains how OMWBE contributes to "Priorities of Government" Statewide Result Six, "Improve the economic vitality of businesses and individuals" and Result 11, "Improve the ability of state government to achieve its results efficiently and effectively."

VALUE CHAIN: OMWBE AREA OF CONCERN



PRIORITY OF GOVERNMENT SIX: GOAL, OBJECTIVES, AND STRATEGIES

Priority of Government Six

Improve the economic vitality of businesses and individuals.

OMWBE Goal

Improve the contributions of certified minority, women, and socially and economically disadvantaged small businesses to the Washington State economy.

OMWBE Objective 1

Increase utilization of certified minority, women, and socially and economically disadvantaged small businesses in public contracting and procurement.

OMWBE Strategy 1

Partner with state agencies, universities, local governments, private corporations, and community-based organizations to increase participation of certified businesses in procurement opportunities.

OMWBE Activity 1

Promote Agency performance agreements to include M/WBE Measures.

OMWBE Activity 2

Market the resources and opportunities of local jurisdictions, private corporations, and community-based organizations to certified firms.

OMWBE Strategy 2

Integrate inclusion strategies for contracting and procurement opportunities.

OMWBE Activity 3

Identify “Supplier Diversity” best practices in the private sector that could be successful in state contracting and procurement.

OMWBE Activity 4

Provide technical assistance to each agency’s M/WBE Plan.

OMWBE Activity 5

Train Agency buyers and contracting officers in recommended supplier diversity best practices.

OMWBE Strategy 3

Expand the usage of the OMWBE shared information technologies to support and assist buyers and contracting authorities.

OMWBE Activity 6

Continue deployment of CMATS and implement plans for continued usage of the system.

OMWBE Activity 7

Provide comprehensive and accurate statistical data to agency decision-makers to facilitate goal setting based upon the availability of qualified, certified firms.

OMWBE Activity 8

Maintain OMWBE's client information database that identifies all certified firms.

OMWBE Strategy 4

Build a team of well-trained professional staff of subject matter experts in certification, public contracting, supplier diversity and business development.

OMWBE Activity 9

Provide staff with education and training opportunities to increase expertise.

OMWBE Objective 2

Expand the number of qualified, certified minority, women, and socially and economically disadvantaged small businesses.

OMWBE Strategy 5

Improve the one-stop certification program (UCP).

OMWBE Activity 10

Streamline the OMWBE certification process and forms.

OMWBE Strategy 6

Design and implement specific community-based, marketing plan to attract potential, eligible businesses with capacity to compete for opportunities in public contracting.

OMWBE Activity 11

Redesign and implement a training and education program for potentially eligible firms.

OMWBE Strategy 7

Maximize the ability of certified firms to participate in other certification programs.

OMWBE Activity 12

Collaborate with other certification programs to establish uniform, coordinated, and/or integrated eligibility review process.

OMWBE Strategy 8

Create a single integrated portal for submittal and processing of certification applications that will meet the needs of stakeholders.

OMWBE Activity 13

Enhance and deploy electronic certification application.

OMWBE Objective 3

Isolate and mitigate barriers to a fair and equitable contracting and procurement solicitation and award process.

OMWBE Strategy 9

“Right Size” contract/procurement requirements to encourage participation by qualified certified firms (*e.g.*, “unbundling”).

OMWBE Activity 14

Review state contract terms (general and special) and conditions to identify and eliminate barriers.

OMWBE Activity 15

Participate in “Prompt Payment” initiative for subcontractors.

OMWBE Activity 16

Participate in initiatives to waive or reduce performance bonds and insurance requirements for contracts under a specified amount.

OMWBE Strategy 10

Correct inconsistencies in statutes and regulations that negatively affect the economic development of certified firms.

OMWBE Activity 17

Conduct comprehensive inventory of contracting and procurement rules affecting certified firms and recommend revisions.

OMWBE Activity 18

Conduct comprehensive inventory of contracting and procurement rules affecting I-200 compliance and recommend revisions.

OMWBE Objective 4

Expand opportunities for certified minority, women, and socially and economically disadvantaged small businesses.

OMWBE Strategy 11

Serve as a proactive business advocate for qualified, certified firms.

OMWBE Activity 19

Develop certified firm “performance capacity” activity profiles.

OMWBE Activity 20

Develop and implement public sector “selling” training for certified firms.

OMWBE Activity 21

Aid certified firms in development of public sector marketing strategies.

OMWBE Activity 22

Actively facilitate dispute resolution for firms and agencies seeking assistance with contracting issues.

OMWBE Activity 23

Identify qualified firms to compete for specific opportunities in all areas of public contracting.

OMWBE Activity 24

Expand efforts to encourage public sector purchasing of Washington goods and services (ref: HB 2657 Agricultural products).

OMWBE Objective 5

Increase the performance capacity of certified minority, women and socially and economically disadvantaged small businesses.

OMWBE Strategy 12

Provide certified firms with access to comprehensive integrated entrepreneurial, financial, technical and technological services customized to their individual developmental and growth plans.

OMWBE Activity 25

Expand low, or no cost entrepreneurial training.

OMWBE Activity 26

Participate in the development and funding of statewide cost-effective virtual and actual business incubator services.

OMWBE Activity 27

Provide financial and growth management training to firms to help them qualify for conforming loans and bonding.

OMWBE Strategy 13

Improve access to affordable capital for certified firms.

OMWBE Activity 28

Monitor and continue implementation of the Linked Deposit Program according to the program data collection plan.

OMWBE Activity 29

Identify initiatives to eliminate the waiting period for funding of approved Linked Deposit loans.

PRIORITY OF GOVERNMENT ELEVEN: GOAL, OBJECTIVES, AND STRATEGIES

Priority of Government 11

Improve the ability of state government to achieve its results efficiently and effectively.

OMWBE Goal

It is the agency's philosophy that fulfilling this Priority of Government is inherent in our efforts to meet Priority of Government Six. As a result, the agency's efforts towards this goal are included in the outline of objectives, strategies, and activities outlined above and are not listed a second time under a separate heading.

APPRAISAL OF EXTERNAL ENVIRONMENT

A number of external forces affect OMWBE's goals, strategies, and performance measures.

Changes in Washington State's Economy

OMWBE's workload increases both when the economy is vibrant and when it is stagnant. In good economic times, the state spends more money – especially on capital improvements. Businesses apply for certification to increase their likelihood of securing public works contracts. In a slow economy, many workers are unable to secure outside employment and instead decide to start their own business. These new business owners request business support services and apply for certification because they believe these services are a key component for their success and will increase the probability their new company will be able to secure government contracts.

The nationwide recession that started in 2001 has disproportionately affected Washington State and has resulted in a significantly increased workload for OMWBE. In FY 2002, OMWBE provided assistance and business services to 589 firms; in FY 2003, this number increased to 1239. OMWBE staff also conducted 35 training workshops for 414 businesspersons in FY 2002; in FY 2003, the agency conducted 105 trainings workshops for 1,006 businesspersons. FY 2004 levels are expected to exceed FY 2003.

The number of firms requesting certification has also increased significantly since the start of the recession. As where the agency received 830 certification applications in FY 1999, this number increased to 1,013 in FY 2000; 1,093 in FY 2001; 1,651 in FY 2002; and 1,660 in FY 2003 (a 100 percent increase over 2001 levels). FY 2004 levels are expected to be similar to or even higher than FY 2003.

Business support services requests and certification application rates are expected to remain relatively steady throughout the 2005-2007 biennium. However, a new economic downturn could cause the agency's workload to increase even further during the biennium.

Public Perception and Expectations

Despite OMWBE's continued targeted outreach and education efforts, many Washington State residents continue to hold misperceptions about the impact of Initiative 200 (passed in 1998 and codified under RCW 49.60.400).

Because of this misperception, many certified firms allowed their certification to be removed. Immediately after I-200's passage, the number of certified firms dropped by approximately one-third. By the end of the first three-year certification cycle following I-200's passage, the number of certified firms had dropped by more than 60 percent. OMWBE has devoted significant staff time to educating firms and increasing the number of certified firms available; by the end of FY 2003, these efforts resulted in an almost 12 percent rebound in the number of certified firms.

OMWBE also continues to devote significant staff time to educating state procurement officers, prime contractors, potential applicants, and the general public as to OMWBE's mission and what

practices are permitted or prohibited by the passage of I-200. By correcting common misperceptions, fewer firms mistakenly allow their certifications to lapse. In FY 1999, only 106 certified firms renewed their certification; OMWBE's efforts increased this number to 520 for FY 2000; 647 in FY 2001; 1,078 in FY 2002; and 941 in FY 2003.

OMWBE will continue its outreach and education efforts related to I-200 and will continue to increase the number of qualified certified firms available to perform on public contracting and procurement opportunities.

Changes in Washington State's Ethnic Makeup

According to U.S. Census Bureau data, the ethnic makeup of Washington's citizens is changing. Minority groups (including Hispanics of all races) currently account for more than 20 percent of Washington's population. Of residents who identify themselves as a single race, Hispanics are the fastest growing population in Washington, followed by Asian and Pacific Islanders, and African Americans. The percentage of Washington residents who consider themselves "white" and not of Hispanic heritage has fallen significantly over the last decade.

The U.S. Census Bureau data also reveals that the Native American proportion of the Washington State population has fallen slightly over the past decade. The Governor's Office of Indian Affairs reports Washington has 29 federally recognized tribes. However, two other tribes (the Chinook and Duwamish Tribes) have applied for and are currently pending federal recognition; six other tribes have requested inclusion on the Washington State Tribal Directory.

Based on Census Bureau data, Washington's minority population is projected to increase at a rate exceeding that of the current fiscal growth factor. From July 1, 2000 through July 1, 2005, Washington's minority population is expected to increase 16.72 percent, or 3.34 percent per year. Over the next twenty years, Washington's minority population is predicted to increase 63.52 percent, or approximately 3.18 percent per year.

As the number of minorities increases, the number of businesses owned by minorities also increases. The U.S. Census Bureau reports that in 1982, 6.8 percent of businesses were owned by minorities. That percentage has grown steadily: in 1987, 9.3 percent of businesses were owned by minorities; in 1992 – 12.5 percent; and in 1997, minorities owned 14.6 percent of all businesses. This increase corresponds to the increase in firms requesting business services and certification from the agency.

Women in Business

Although their representation in the population remains stable, women's role in the economy continues to grow. The U.S. Census Bureau reports that women-owned businesses currently account for approximately 26 percent of all businesses and approximately one-third of all sole proprietorships. However, only 4 percent of employers are women-owned businesses and of those, more than 60 percent employed fewer than 5 people. Washington women-owned businesses had 139,032 employees in 1997.

By providing business services and certification to women-owned firms, OMWBE helps these businesses to grow and expand. As they do, they will contribute even more to Washington's economy.

Expanded Customer Base

In addition to businesses owned by minorities and women, OMWBE also provides services to other businesses owned by disadvantaged owners. In accordance with the legislature's instructions in SJM 8015 and the agency's statutory authority (RCW 39.19.120), OMWBE has added a new status for disadvantaged business owners who are not women or minorities. Business owners who are disabled may now apply for business services and certification from OMWBE.

OMWBE will also assist the Department of General Administration's ("GA") "Vendor In Good Standing" program pursuant to SHB 1813, a bill designed to expand employment opportunities for people with disabilities. Although the agency will not receive any Fee-for-Service funds from GA for its work pursuant to this bill, OMWBE will provide certification services to firms that apply for recognition as a Vendor in Good Standing.

Emphasis on Contracting and Procurement Accountability

Accountability and fraud prevention are issues that have been emphasized by the Washington State Legislature and the U.S. Department of Transportation. OMWBE's methods and workload is affected by both these efforts.

The Washington State Legislature has recently emphasized increasing government accountability, decreasing government waste, and preventing unnecessary financial liability. OMWBE has made significant efforts to further the legislature's intent by implementing the Contract Monitoring and Tracking System ("CMATS"). OMWBE will continue expanding the number of state agencies, educational institutions, and local jurisdictions utilizing this tool to prevent contract and procurement irregularities and decrease wasteful government spending. CMATS can also be used by state agencies and local jurisdictions to locate firms, conduct availability studies, and track subcontracting. Expanded use of this system will allow the state improved reporting and compliance with federal and state contracting plans.

The U.S. Department of Transportation has also placed an emphasis on contract and procurement fraud, especially as it applies to the USDOT Disadvantaged Business Enterprise ("DBE") program. As the sole certifying entity for Washington State DBEs, OMWBE has made significant progress in detecting DBE certification fraud attempts. OMWBE has become a nationwide leader in its efforts to detect and prevent DBE certification fraud and the resulting waste of taxpayer dollars on transportation public works projects. OMWBE will continue to lead the country in this area and serve as a model for other jurisdictions.

Changes in State Vendor Identification and Procurement Methods

Washington State's commitment to web-based vendor identification and procurement systems represents an efficient and sound business practice in the new millennium. To assist this practice, OMWBE has deployed a web-based application that facilitates the identification of potential contractors and vendors for public and private sector buyers. OMWBE also uses the system to provide greater assistance to state agencies and institutions in targeting their outreach without increasing administrative costs.

Access to Capital

Since its inception in 1993, the Linked Deposit Program has funded interest rate reductions for 332 certified firms on \$141 million of business loans. The Linked Deposit Program has proven popular with certified firms and is a proven attraction to state certification for potentially certifiable firms. The Program is authorized until June 30, 2007, and OMWBE continues to work closely with the Office of the State Treasurer ("OST") and the Department of Community, Trade, and Economic Development ("CTED") to administer this valuable program.

Unfortunately, the Linked Deposit Program does not adequately address key issues identified in its authorizing statute. The program does not alter lending criteria for participating banks, nor does it require that the banks report on their lending decision process. In addition, the availability of funds has decreased as more certified firms have used the Program to finance their larger deals. Therefore, OMWBE will be working closely with OST and CTED to explore possible administrative rule and statutory changes to make the Program more responsive to a greater share of certified firms.

In an effort to explore innovative methods for increasing the availability of capital to certified firms, OMWBE will partner with the financial and banking community during the 2005-2007 biennium to launch a privately funded program to make available "mezzanine financing" to qualified firms. Such a program will allow OMWBE to pioneer state government efforts in addressing and partially mitigating a key barrier to small business growth and expansion.

TRENDS IN CUSTOMER CHARACTERISTICS

Population and Ethnicity

As noted above, U.S. Census Bureau data shows that Washington's population is becoming more diverse. This increased diversity has led to an increase in the diversity of business ownership. Between 1992 and 1997, the number of minority-owned businesses increased 68 percent from 25,935 to 43,561. Over the same period, the number of minority-owned businesses with employees increased more than 100 percent from 5,734 to 11,503.

By the end of the 2005-2007 biennium, we expect Washington State to have 122,946 minority-owned firms, of which 46,293 will be employers. The University of Washington Business School "Small Business Growth Opportunities in Washington" report indicates these minority-owned firms contribute more than \$30 billion in sales and more than \$5 billion in payrolls to Washington's economy.

While not all minority and women-owned firms will seek business support services or certification from OMWBE, we expect the number of firms requesting services will continue to increase in accordance with the total number of potentially eligible firms in the marketplace.

Business Demographics Across the State

The traditional urban-rural distinction is particularly noticeable in the area of construction activity. Certified firms located in Eastern Washington, whose primary activities are construction, architecture, and engineering are especially burdened by the fact that construction activity is not as vibrant in Eastern Washington as in the Puget Sound area of Western Washington. Moreover, contracts for work in Eastern Washington are reportedly more likely to be awarded to firms located in urban Western Washington, where larger firms are located. Measures of a firm's performance capacity (*e.g.*, time in business, number of employees, project size capable of performing) are often given greater weight in the firm selection process than a firm's geographical location to the project site, even though the project itself does not require the resources of the larger urban firm.

To mitigate these problems, OMWBE will continue to perform outreach to underserved firms, especially those in Eastern Washington. OMWBE will also continue to work with state procurement officers to eliminate unnecessary barriers to certified firms in contracting and procurement.

STRATEGY AND CAPACITY ASSESSMENT

OMWBE has adopted a number of new strategies to provide better services to a larger customer base with fewer staff and financial resources.

OMWBE's Operational Strategy

Evolution of the agency's operational strategy has resulted in a realignment of OMWBE's operating divisions and efforts. OMWBE now has three divisions: certification, agency support and business development, and information services. The shift from a "monitoring" division to "agency support and business development" division reflects the agency's fundamental shift to a focus on how OMWBE can assist state agencies in their efforts to not discriminate in their contracting activities. It also reflects the agency's recognition that certified firms play a significant role in the state's economy and that assisting firms to develop their businesses and expand their ability to perform on public works and procurement contracts is the best way to benefit both the firm and the state as a whole.

OMWBE's Workforce and Staffing

OMWBE does not contemplate any noteworthy changes to its workforce. It is not expected that civil service reform will have any significant impact on agency staffing. Because no other entity provides the same services OMWBE, we do not expect that any of the agency's services will be subject to competitive contracting.

Technology Strategies

Under previous agency leadership, OMWBE viewed expanded use of computer technology as the key to fulfilling its mission. This strategy has shifted significantly.

OMWBE's technology strategy is focused on providing sufficient internal technological resources to meet our customer's needs. The agency will continue to expand the deployment of CMATS to assist state agencies and local jurisdictions in identifying certified firms in the marketplace of available vendors and will also continue to provide database vendor searches for prime contractors. OMWBE's certification division will expand their use of technological resources to detect and prevent certification fraud.

PERFORMANCE ASSESSMENT

Upon review of OMWBE's most recent performance measure information, performance measures were linked to two goals of agency concern: 1) maximizing opportunities for certified firms to do business in public sector contracting and procurement, and 2) increasing the effectiveness and efficiencies of the certification programs.

OMWBE's similar organizations performing business development are limited to a few non-profits providing business assistance, the U.S. Small Business Administration ("SBA"), and state and local agencies in other states. Those states and local jurisdictions that have mandatory goal programs for public contracting and procurement for minority and women's business enterprises have been able to obtain their overall goals, unlike Washington State. Few states have had their mandatory goal programs derailed through legislation or initiatives; those that have, like Washington, have seen dramatic declines in the utilization of minority and women-owned certified firms without complete recovery. Actual performance of state agencies reaching their M/WBE goals is different than expected. However, the current setting of performance measures based on agency activities and new strategies concerning OMWBE influence should close performance gaps, resulting in new performance improvement opportunities for the next biennium.

Although there was some redesign of the certification process, it was not sufficient to address the increase of applications the Office received and the reduction of staff. As a result, progress toward reaching the performance target was stymied and no further progress had been reached. During the last half of the 2003 fiscal year, a complete redesign of the new application certification process was completed and implemented based on current reduced staffing. This should result in closure of performance gaps.

OMWBE's similar organizations performing certification services are limited to a few non-profits providing certification services for the private sector, the SBA, a few local jurisdictions providing small business programs, and state and local agencies in other states. Of these entities, only the SBA and California from the 14 Western States (Region IX of the US Department of Transportation) have larger federal certification programs (size of directory of certified firms). OMWBE has the largest M/WBE certification program of the 14 Western States and regional non-profits. OMWBE is average with its counterparts for processing time, despite having the highest volume of applications received and the highest ratio of staff to file caseloads. OMWBE has also developed a reputation specifically for its federal DBE certification program concerning staff technical expertise.

Other core services are addressed in the OMWBE Business Plan.

FINANCIAL HEALTH ASSESSMENT

OMWBE is a fee-for-service agency and receives payments from state agencies, local jurisdictions, and certification applicants. OMWBE also receives payments in accordance with two interagency agreements with the Washington State Department of Transportation.

In accordance with the desires of the Legislature, OMWBE has restructured its financial base. During the 2003 legislative session, the agency received grant authority; two grants have already been received and other grant applications are currently pending. The legislature also instructed the agency to restructure the proportion of fees paid by state agencies as compared to other service recipients. As a result, the fees paid by state agencies will decrease during the 2005-2007 biennium; the fees paid by some local jurisdictions will increase. Effective May 6, 2004, the processing fee for certification applications increased from \$20 to \$25-\$100 (depending on the certification requested and the legal structure of the applicant business).

While the agency does expect the number of businesses requesting services will increase at a rate exceeding the fiscal growth factor, we expect the agency's income to remain stable and not significantly increase.

Issues related to the "Office of Minority & Women's Business Enterprises Account" are addressed separately in the agency's Business Plan.

COST REDUCTION STRATEGIES

OMWBE has instituted a number of cost reduction strategies over the last several years. Some of these strategies include:

- Publication of the directory of certified firms has been transferred from a print format to an on-line format which is more user-friendly and efficient. By the end of the 2005-2007 biennium, the agency will have saved approximately \$89,000 in direct costs and approximately 216 staff hours since implementing this change.
- Transferring computer network support services from an outside consultant to in-house IT staff allowed OMWBE to eliminate the need to have a professional services contract for these services. The elimination of this contract saved the agency more than \$53,000.
- The agency has made efforts to streamline and consolidate its technology and telecommunications expenditures. By the end of the 2005-2007 biennium, these efforts will result in the savings of approximately \$5,250.
- The agency's Certification Unit underwent a process redesign for the "new certification applications" process. The new process will transfer some paraprofessional work from professional staff to administrative staff, resulting in increased efficiency and lower costs per application processed. The new process has also eliminated several steps in the certification review process and will result in the considerable reduction of staff time necessary to process a certification application. This time savings will be used to meet the increased workload demands of processing more certification applications.
- The Certification Unit has also adopted a new process for handling federally mandated Annual Updates of DBE certified firms. The new process significantly reduces the administrative and professional staff time required to process these updates. Over the 2005-2007 biennium, the new process is expected to save approximately \$650 in direct costs.
- Agency FTEs have been reduced from 20 to 17.

ACTIVITY LINKS AND MAJOR PARTNERS

State Agencies

OMWBE has two interagency agreements with the Washington State Department of Transportation (“WSDOT”). One of these agreements is to provide specialized certification services for the U.S. Department of Transportation’s DBE Program; the other is to administer the USDOT DBE Supportive Services Program. These agreements contribute significantly to OMWBE’s ability to achieve its goals.

Recognizing GA’s role as the State’s lead procurement agency, OMWBE works with the Office of State Procurement to develop and maintain an electronic vendor list of certified firms. Updates of this list are electronically transmitted to GA each month. OMWBE will continue to work with GA and the Office of Financial Management to create a system that links CMATS with other state purchasing and procurement systems (*e.g.*, GA’s “WEBS” system).

As noted above, OMWBE works with CTED and OST to administer the State’s Linked Deposit Program pursuant to RCW 43.86A.060. This partnership requires ongoing reporting, program monitoring and marketing efforts to be accomplished by these agencies in a collaborative cost-effective manner, as the statute provides no program administration budget.

To increase the agency’s ability to perform targeted outreach, OMWBE will be partnering with the Department of Revenue and Employment Security Department throughout the 2005-2007 biennium. Through this partnership, OMWBE will be further able to quantify the impact of certified firms on the state economy, including tax contributions and employment impacts.

As a member of the U.S. Department of Agriculture’s State Outreach Council, OMWBE has the opportunity to promote business development initiatives for the benefit of its clientele located in rural Washington.

Other Private and Non-Profit Organizations

The Northwest Minority Business Council (“NMBC”) seeks to identify and encourage private sector procurement opportunities for its membership, many of whom are certified minority suppliers. OMWBE has actively pursued partnering opportunities with this nonprofit organization to assist the private sector in identifying certified firms available to compete for particular procurement opportunities.

Likewise, OMWBE has actively pursued partnering opportunities with Astra Women’s Business Alliance (“Astra”), an affiliate of the Women’s Business Enterprise National Council. Astra seeks to provide personal, professional and income development skills for women business owners throughout the Pacific Northwest. OMWBE is working with Astra to identify certified firms available to compete for particular procurement opportunities.

OMWBE’s agreement with the Washington Credit Union League Foundation enhances the agency’s mission to ensure an equitable business environment. This initiative targets unbanked

and underserved individuals, including minority and women-owned business employers/employees, other minority and low-income individuals and members of the Hispanic community who do not currently access mainstream financial products and services. The target audience will also learn about the benefits of OMWBE certification, with the objective being to increase the number of certified firms capable of participating in public contracting and procurement opportunities.

Local Jurisdictions

Since the passage of I-200, a number of local jurisdictions in Western Washington established small business and HUB-zone programs (as an alternative to firms certified by OMWBE). However, these programs have failed to attract the number of minority and women businesses that were participating in their previous programs and the levels of expenditures with businesses owned by minorities and women in these new programs have not reached their targets. In addition, these programs have not been provided adequate support from their local jurisdictions to effectively manage the firms participating. As a result, OMWBE has the opportunity to partner with local jurisdictions and to lead a coordinated regional effort toward equity in public contracting and procurement. Also, OMWBE will solidify its role as a direct service provider to the common clientele of multiple jurisdictional programs.

Federal Agencies

OMWBE's partnership with the U.S. Small Business Administration has been very productive over the past three years. Office co-location agreements between OMWBE and the SBA's locations in Seattle and Tacoma allowed OMWBE to open offices in locations where most certified firms are located without incurring any cost for office space or overhead. Without this arrangement, OMWBE would have had to spend more than \$75,000 to provide the same services and additional locations to our customers. Opening these satellite locations also allowed the agency to redirect almost \$20,000 of support services funds from administrative expenses to actual services to certified firms. This partnership has also facilitated more comprehensive service delivery to the firms in these locations, as well as firms in Eastern Washington by encouraging firm referrals and co-sponsored business development events.

Because of its role as the Washington State certifying entity for the DBE program, OMWBE is also closely connected to the U.S. Department of Transportation Department of Civil Rights, the Federal Highway Administration, Federal Transit Administration, and the Federal Aviation Administration. OMWBE will continue its efforts to maintain beneficial relationships with each of these agencies to further benefit the transportation system in Washington State.

Tribal Entities

OMWBE will continue to expand business development services to firms owned by Native Americans through the Tribal Employment Rights Offices ("TERO") of various Northwest tribes. This initiative also includes assisting TERO to develop a uniform certification application for the 29 TERO offices for their use, as well as potential integration of the TERO application with the USDOT DBE certification application.